

**MINUTES OF THE
NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE
January 23, 2008
Room W130, West Office, Building, State Capitol Complex**

MEMBERS PRESENT: Sen. Dennis Stowell, Co-Chair
Rep. Ben Ferry, Co-Chair
Sen. Margaret Dayton
Rep. Roger Barrus
Rep. Jack Draxler
Rep. Carl Duckworth
Rep. Kerry W. Gibson
Rep. James R. Gowans
Rep. John G. Mathis
Rep. Michael E. Noel
Rep. Steve Sandstrom

MEMBERS ABSENT: Sen. Mike Dmitrich
Sen. John Valentine
Rep. Steve Sandstrom

STAFF: Ivan Djambov, Fiscal Analyst
Linda Service, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

MOTION: Rep. Gowans moved to approve the minutes of January 16, 2008. The motion passed unanimously with Rep. Barrus, Rep. Noel, and Rep. Ferry absent for the vote.

Sen. Dennis Stowell called the meeting to order at 2:35 p.m.

Sen. Stowell welcomed the members of the Department of Natural Resources and asked Mike Styler, Executive Director of the Department, to introduce Reed Price, Executive Director of the Utah Lake Commission, and Al Harrison, Executive Director of the Bear Lake Commission.

Ivan Djambov, Fiscal Analyst, explained how to use the information provided in the Natural Resources Budget Analysis binder. There are three types of documents issued for the budget review process - Compendium of Budget Information (COBI), Budget Briefs, and Issue Briefs. Utah budgets on a fiscal year, which is the twelve-month period from July 1 to June 30 of the following year. The current fiscal year is FY 2008 which will end June 30, 2008. The next fiscal year for which the Legislature is determining a new budget is FY 2009.

Funding sources for state government use were reviewed. Funding sources for this committee are General Funds, Dedicated Credits, a variety of restricted accounts, and Federal Funds. The committee reviews and approves budgets for the Department of Natural Resources, Department

of Agriculture and Food, School and Institutional Trust Lands Administration, and Public Lands Policy Coordinating Office. The Analyst explained Table 3 on page 8 of COBI which provides the 2007 year-end balances of the major restricted accounts used by DNR, the savings accounts of those divisions. Money in accounts cannot be spent unless appropriated.

Mr. Djambov discussed line items and intent language. As money is appropriated to a particular line item, the agency can transfer money within that line item but cannot transfer from one line item to another. Intent language may be added to an appropriation bill to explain or put condition on the use of funds in the line item. It may restrict the usage or require reporting or impose other conditions. It cannot change intent of the code. The non-lapsing intent language allows the line item to carry forward money at the end of the fiscal year instead of lapsing. Intent language expires automatically at the end of each year.

The Analyst referred to the Budget Brief and summarized the issues the agencies are currently dealing with. The Department of Natural Resources is dealing with water allocation, invasive plant and animal species, parks infrastructure, and discretionary compensation and COLA. The School and Institutional Trust Land Administration deals with wilderness designation on federal lands, federal resource management planning process, designation of endangered species, and management of sensitive lands. The Department of Agriculture and Foods issues are food safety and consumer protection, protecting critical resources, and discretionary compensation and COLA. As a rule, the appropriations from FY 2008 have become the agencies' base budgets for FY 2009. The Executive Appropriations Committee (EAC) has not allocated any General Funds beyond the agencies' base budgets but encourages agencies to fund their priorities through reallocation of base budgets among programs and to prepare a funding priority list for the EAC.

Mr. Djambov introduced the Public Lands Policy Coordination Office. The goal of the agency is to help Utah speak with one voice on land issues. He had a reallocation recommendation pertaining to this office. In the 2007 Legislative Session, the Legislature provided for FY 2007 a supplemental appropriation of \$100,000 from the General Fund to the Public Lands Policy Coordination Office to pass through to Kane/Garfield counties for litigations. The Public Lands Office reported that the funds could not be used for the designated purposes and was carried through to the FY 2008 year. He recommended that the subcommittee reallocate the one-time \$100,000 and fund other subcommittee priorities.

John Harja, Director of the Public Lands Policy Coordinating Office, requested approximately \$2,800,000 coming from two sources: General Fund in the amount of \$759,100 and the rest from restricted account funded by monies from lands SITLA has exchanged. Mr. Harja requested that the Office keep and use the \$100,000 for projects. Discussion included that the funds may still be available for litigation in Kane/Garfield counties. Rep. Noel was displeased to find out that the office did not pass the funding for the litigation to the two counties.

Kimmer Rodela, Budget Analyst, Governor's Office of Planning and Budget, presented an overview of the Governor's. She highlighted the Summary of Funding for agencies for FY 2008 and 2009 that have had budget adjustments for those years.

The Fiscal Analyst presented the Budget Brief for DNR Administration. The mission of DNR Administration is to ensure coordination and cooperation of the Natural Resources Divisions and to provide quality administrative support. In order to distribute the discretionary funding appropriated by the 2007 Legislature based on the greatest needs of DNR divisions, the Department has requested for FY 2009 an authorization to make the following transfers of ongoing General Funds among the line items: \$4,400 decrease to the DNR Administration; \$18,700 decrease to the Division of Forestry, Fire and State Lands; \$58,000 decrease to the Division of Parks and Recreation; \$8,300 increase to the Division of Oil, Gas, and Mining; \$15,500 increase to the Division of Wildlife Resources; \$13,000 increase to the Division of Water Resources; and \$42,800 increase to the Division of Water Rights. The sum total of these transactions is \$0. The Analyst recommended the Committee authorize the transfers. He responded to questions from committee members.

Mr. Djambov reviewed: DNR Building Operations to pay for the building at 1594 West Temple - there have been no changes; DNR Internal Service Funds - currently DNR operates only the Warehouse; DNR Species Protection - the purpose of this program is to take action to prevent the list of any plant or animal species and to pursue actions that will allow the delisting of threatened or endangered species in Utah. There were four one-time requests presented: 1) Utah Lake Carp Removal, 2) PCB Monitoring, 3) Snake Valley Baseline Inventory, and 4) Field Studies Curriculum, Pilot Project. The Analyst recommended approval of these requests.

Director Styler distributed budget handouts and made a presentation on their budget. He explained the approach they used for implementing the distribution of discretionary salary money appropriated by the 2007 Legislature. He reviewed the Department's major funding requests.

Director Styler introduced Rory Reynolds to discuss the Water Shed Initiative and answer questions.

MOTION: Rep. Barrus moved to adjourn.

Rep. Ferry adjourned the meeting at 4:30 p.m.

Natural Resources Appropriations Subcommittee
January 23, 2008
Page 4

Rep. Ben Ferry, Co-Chairman

Sen. Dennis Stowell, Co-Chairman